GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3778
ANSWERED ON:13.12.2001
PACKAGE FOR HYDRO POWER PROJECTS
UMMAREDDY VENKATESWARLU

Will the Minister of POWER be pleased to state:

(a) whether the Government have formulated any incentive package to independent power producers for setting up hydro power projects in the country;

(b) if so, the details thereof;

(c) whether any scheme for development of small hydro projects upto 3 to 25 MW capacity has been launched;

(d) if so, whether private parties are being involved in the scheme;

(e) if so, the number of private parties who have come forward to set up the projects; and

(f) the number of projects approved and the total power capacity likely to be added by these projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Government has taken several measures for accelerating the growth of hydro power development. These include higher budgetary support to Central Public Sector Undertakings like National Hydroelectric Power Corporation Ltd., (NHPC), North Eastern Electric Power Corporation (NEEPCO) and Tehri Hydro Development Corporation (THDC), advance action for new hydel projects, liberalized policy to attract private sector participation and action plan for hydro power development in North Eastern Region.

Government of India has announced a Policy on Hydro Power Development in August, 1998 in order to accelerate the pace of hydro power development. The policy, inter-alia, envisages the following measures for this purpose:

(i) Providing a different pricing for peaking power to facilitate greater investment in hydel projects which have the capability to supply peaking power in a cost effective manner.

(ii) providing an institutional mechanism for dealing with geological risks.

(iii) Utilizing the joint venture frame work for promoting hydel projects.

(iv) Simplification of procedures relating to transfer of clearances from State Government to Central Public Sector Undertakings and State Government to private sector.

(v) Enhancing the ceiling limits for techno-economic clearance by CEA in respect of projects promoted on the MOU route.

(vi) Transfer of work relating to the development of small hydel projects up to 25 MW capacity from Ministry of Power to Ministry of Non-conventional Energy Sources and providing a suitable incentive package.

(c) to (f) : Ministry of Non-conventional Energy Sources is implementing a number of financial incentive schemes for the development of small hydro power (SHP) projects upto 25 MW station capacity in the country. These incentive schemes are by way of financial support for detailed survey and investigation of SHP sites, support for Detailed Project Report (DPR) preparation, capital subsidy for Government Sector projects, interest subsidy for commercial projects set up by private sector, joint sector etc. 1 3 States have announced their policy to invite private sector to set up SHP projects. Sites aggregating to about 2000 MW have been offered/allotted by the States for the development of commercial SHP projects through private sector. So far 63 SHP projects up to 25 MW station capacity aggregating 240 MW have been set up by the private sector in the country. 18 projects aggregating 30.75 MW are under construction by the private sector.